

立法會
Legislative Council

LC Paper No. CB(1)2246/06-07
(These minutes have been seen
by the Administration)

Ref: CB1/BC/3/05

Bills Committee on Rail Merger Bill

**Minutes of twenty-seventh meeting on
Wednesday, 2 May 2007, at 8:30 am
in Conference Room A of the Legislative Council Building**

- Members present** :
- Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
 - Hon TAM Yiu-chung, GBS, JP (Deputy Chairman)
 - Hon Albert HO Chun-yan
 - Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
 - Hon CHAN Kam-lam, SBS, JP
 - Hon SIN Chung-kai, JP
 - Hon LAU Kong-wah, JP
 - Hon Emily LAU Wai-hing, JP
 - Hon Andrew CHENG Kar-foo
 - Hon Abraham SHEK Lai-him, JP
 - Hon LI Fung-ying, BBS, JP
 - Hon Tommy CHEUNG Yu-yan, JP
 - Hon Albert CHAN Wai-yip
 - Hon WONG Kwok-hing, MH
 - Hon LEE Wing-tat
 - Hon LI Kwok-ying, MH, JP
 - Hon Jeffrey LAM Kin-fung, SBS, JP
 - Dr Hon Fernando CHEUNG Chiu-hung
 - Hon CHEUNG Hok-ming, SBS, JP
 - Hon Ronny TONG Ka-wah, SC
 - Prof Hon Patrick LAU Sau-shing, SBS, JP
 - Hon KWONG Chi-kin
 - Hon TAM Heung-man
- Members absent** :
- Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
 - Hon LEE Cheuk-yan
 - Dr Hon LUI Ming-wah, SBS, JP
 - Hon LEUNG Yiu-chung
 - Hon LEUNG Kwok-hung
 - Hon CHIM Pui-chung

- Public Officers attending** :
- Dr Sarah LIAO
Secretary for the Environment, Transport and Works
 - Mr Patrick HO
Deputy Secretary for the Environment, Transport and Works
 - Miss Ida LEE
Principal Assistant Secretary for the Environment, Transport and Works
 - Mr Brian CHOI
Assistant Secretary for the Environment, Transport and Works
 - Mr David LAU
Principal Assistant Secretary for Financial Services and the Treasury
 - Mr Sunny CHAN Yuen-sun
Senior Assistant Law Draftsman
Department of Justice
 - Miss Clara LEUNG
Government Counsel
Department of Justice
 - Mr Albert YUEN Lap-pun
Assistant Commissioner for Transport/Bus & Railway
- Attendance by invitation** :
- MTR Corporation
 - Mr Leonard TURK
Legal Director & Secretary
 - Mr Wilfred LAU
Head of Operations
 - Mrs Miranda LEUNG
General Manager – Corporate Relations
 - Ms Maggie SO
External Affairs & Government Relations Manager

Mr Richard THORNHILL
Partner, Slaughter & May
(Legal Adviser of MTR Corporation)

Ms Peggy LEUNG
Associate, Slaughter & May
(Legal Adviser of MTR Corporation)

Kowloon-Canton Railway Corporation

Mr Michael KWAN
Train Operations Manager

Mr Raymond WONG
Senior Corporate Affairs Manager

Clerk in attendance : Mr Andy LAU
Chief Council Secretary (1)2

Staff in attendance : Ms Connie FUNG
Assistant Legal Adviser 3

Ms Sarah YUEN
Senior Council Secretary (1)6

Mr Anthony CHU
Council Secretary (1)2

Action

I Clause-by-clause examination of the Bill

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|-----------------------------------|---|
| (LC Paper No. CB(1)1345/06-07(01) | - Information paper provided by the Administration |
| LC Paper No. CB(3)700/05-06 | - the Bill |
| LC Paper No. CB(1)1330/06-07(01) | - Marked-up copy of the Bill |
| LC Paper No. CB(1)1330/06-07(02) | - Letter from Assistant Legal Adviser (ALA) to the Administration dated 10 August 2006 |
| LC Paper No. CB(1)1330/06-07(03) | - The Administration's reply dated 19 September 2006 to ALA's letter dated 10 August 2006 |
| LC Paper No. CB(1)1330/06-07(04) | - Letter from ALA to the Administration dated 26 October 2006 |

Action

- LC Paper No. CB(1)1330/06-07(05) - The Administration's reply dated 8 November 2006 to ALA's letter dated 26 October 2006
- LC Paper No. CB(1)1345/06-07(02) - Relevant extract of Kowloon-Canton Railway Corporation Ordinance (Cap. 372))

The Bills Committee deliberated (index of proceedings attached at **Annex**).

The work schedule

2. The Secretary for the Environment, Transport and Works (SETW) briefed members on the Administration's target legislative timetable, including the enactment of both the primary and the subsidiary legislation, if fare reduction were to be implemented before end of 2007. She said that if the Bill was not enacted at the Council meeting on 6 June 2007, it would not be possible for the vetting of the merger-related subsidiary legislation to be completed before the summer recess and consequently, the effective date of the fare reduction would be affected. It was for this reason that she appealed to the Bills Committee to make an effort to facilitate the target timetable of the Administration so that the Second Reading debate on the Bill could be resumed on 6 June 2007.

3. Some members were of the views that the scrutiny of the Bill was too hasty and more time was needed to complete its scrutiny. Some other members however considered that the Bills Committee had conducted many hours of meetings to thoroughly study the Bill and the related issues. It was not uncommon for LegCo to work under a very tight schedule towards the end of a legislative session in order to complete the scrutiny of legislative proposals.

4. The Chairman put SETW's proposed work schedule to vote. Except for she herself who did not exercise her voting right, of the members present, 12 voted for the schedule, 8 voted against and one abstained. The Chairman declared that the Bills Committee would work in accordance with the proposed schedule and members would be consulted on the additional meetings to be scheduled in due course.

Clause-by-clause examination of the Bill

5. Members continued to examine the Bill clause by clause starting from clause 12.

Follow-up actions

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6. The Administration was requested to take the following actions –
- (a) To advise whether there were any provisions other than the proposed section 12A in the Bill which would exempt the post-merger corporation from complying with certain legislative requirements, such as those

Action

relating to environmental protection; and

- (b) To consider whether it was more appropriate to replace the term "覺得" in the new section 18(1)(c) of the Mass Transit Railway Ordinance (Cap. 556) by "有理由相信" or "認為".

II Any other business

- 7. There being no other business, the meeting ended at 10:40 am.

Council Business Division 1
Legislative Council Secretariat
7 August 2007

**Proceedings of the twenty-seventh meeting of
the Bills Committee on Rail Merger Bill
on Wednesday, 2 May 2007, at 8:30 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
Agenda Item I – Clause-by-clause examination of the Bill			
000000 - 000140	Chairman	- Opening remarks	
000141 - 012159	Chairman Administration Mr Andrew CHENG Mr LEE Wing-tat Mr TAM Yiu-chung Mr Ronny TONG Ms Emily LAU Mr WONG Kwok-hing Mrs Selina CHOW Ms LI Fung-ying Mr Jeffrey LAM Mr Abraham SHEK Mr CHAN Kam-lam Mr Patrick LAU Mr Albert CHAN Mr Albert HO	- Discussion on the work schedule	
012200 - 012625	Chairman Mr LEE Wing-tat Assistant Legal Adviser (ALA3) Administration	- Discussion on clause 12 of the Bill	
012626 - 012558	Administration	- Briefing by the Administration on clauses 13 and 14 of the Bill	
012659 - 013917	Chairman Mr Andrew CHENG Administration Mr Albert HO	- Discussion on clauses 12 and 13 of the Bill	
013918 - 014106	Chairman Mr Albert CHAN Administration	- Mr Albert CHAN's enquiry about whether there were any provisions other than the proposed section 12A in the Bill which would exempt the post-merger corporation (MergeCo) from complying with certain legislative requirements	Administration to take necessary follow-up actions
014107 - 014420	Chairman Mr LEE Wing-tat Administration	- Clarifications regarding clause 13	

Time marker	Speaker	Subject(s)	Action required
014421 - 015047	Chairman Mr Albert HO Administration Mr Andrew CHENG	- Discussion on how to ensure major breaches would be properly penalized by revocation of franchise where appropriate	
015048 - 015345	Chairman Administration Mr Andrew CHENG	- Briefing by the Administration on clauses 14 and 15 of the Bill	
015346 - 015724	Chairman Mr TAM Yiu-chung Administration Mr Andrew CHENG	- Comments on the expression "覺得" used in the new section 18(1)(c) of the Mass Transit Railway Ordinance (MTRO), which clause 14 of the Bill sought to add	Administration to take necessary follow-up actions
015725 - 020623	Chairman Mr LEE Wing-tat Administration	- Discussion on the procedures taken under section 18(5) of MTRO before the franchise could be revoked	
Agenda Item II – Any other business			
020624 - 020806	Chairman	- Meeting arrangements	